



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 12-49)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English,
DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives,
Transmittal 12-49 with attached transmittal, and policy justification.

Dated: November 13, 2012.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

NOV 02 2012

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 12-49, concerning the Missile Defense Agency's proposed Letter(s) of Offer and Acceptance to Qatar for defense articles and services estimated to cost \$6.5 billion. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

William E. Landay III
For William E. Landay III
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology
4. Regional Balance (Classified Document Provided under Separate Cover)



Transmittal No. 12-49

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Qatar
- (ii) Total Estimated Value:

Major Defense Equipment*	\$4.0 billion
Other	<u>\$2.5 billion</u>
TOTAL	\$6.5 billion
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: 2 Terminal High Altitude Area Defense (THAAD) Fire Units, 12 THAAD Launchers, 150 THAAD Interceptors, 2 THAAD Fire Control and Communications, 2 AN/TPY-2 THAAD Radars, and 1 Early Warning Radars (EWR). Also included are fire unit maintenance equipment, prime movers (trucks), generators, electrical power units, trailers, communications equipment, tools, test and maintenance equipment, repair and return, system integration and checkout, spare/repair parts, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor technical and logistics personnel support services, and other related support elements.
- (iv) Military Department: Missile Defense Agency (VAA)
- (v) Prior Related Cases, if any: None
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: N/A
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex
- (viii) Date Report Delivered to Congress: 2 November 2012

* As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Qatar – Terminal High Altitude Area Defense (THAAD)

The Government of Qatar has requested a possible sale of 2 Terminal High Altitude Area Defense (THAAD) Fire Units, 12 THAAD Launchers, 150 THAAD Interceptors, 2 THAAD Fire Control and Communications, 2 AN/TPY-2 THAAD Radars, and 1 Early Warning Radar (EWR). Also included are fire unit maintenance equipment, prime movers (trucks), generators, electrical power units, trailers, communications equipment, tools, test and maintenance equipment, repair and return, system integration and checkout, spare/repair parts, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor technical and logistics personnel support services, and other related support elements. The estimated cost is \$6.5 billion.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country that has been and continues to be an important force for political stability and economic progress in the Middle East.

This proposed sale will help strengthen U.S. efforts to promote regional stability by enhancing regional defense capabilities of a key U.S. partner. The proposed sale will help strengthen Qatar's capability to counter current and future threats in the region and reduce dependence on U.S. forces. Qatar will have no difficulty absorbing this weapon system into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractors are Lockheed Martin Space Systems Corporation in Sunnyvale, California, and the sub-contractor is Raytheon Corporation in Andover, Massachusetts.

There are no known offset agreements proposed in connection with this potential sale at this time.

Implementation of this proposed sale will require periodic travel of up to 13 U.S. Government and contractor representatives to Qatar for an undetermined period for delivery, system checkout, and training as determined by the schedule. There is no known adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 12-49

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Annex
Item No. vii

(vii) Sensitivity of Technology

1. The Terminal High Altitude Area Defense System (THAAD) Ballistic Missile Defense System contains classified Confidential/Secret components and critical/sensitive technology. The THAAD Fire Unit is a ground-based, forward deployable terminal missile defense system that represents significant technological advances. The THAAD System continues to hold a technology lead over other terminal ballistic missile systems. THAAD is the first weapon system with both endo-and exo-atmospheric capability developed specifically to defend against ballistic missiles. The higher altitude and theater-wide protection offered by THAAD provides more protection of larger areas than lower-tier systems alone. THAAD is designed to defend against short, medium, and intermediate range ballistic missiles. The THAAD system consists of four major components: Fire Control/Communications, Radar, Launchers, and Interceptors.

2. The THAAD Ballistic Missile Defense System contains sensitive/critical Technology, primarily in the area of design and production know-how and primarily inherent in the design, development and/or manufacturing data related to certain critical components. Information on operational effectiveness with respect to countermeasures and counter-counter measures, low observable technologies, select software documentation and test data are classified up to and including Secret.

3. If a technologically advanced adversary were to obtain knowledge of specific hardware, the information could be used to develop countermeasures which might reduce weapons system effectiveness or be used in the development of a system with similar or advanced capabilities.